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# PRENATAL-TO-3 POLICY IMPACT CENTER

Research for Action and Outcomes

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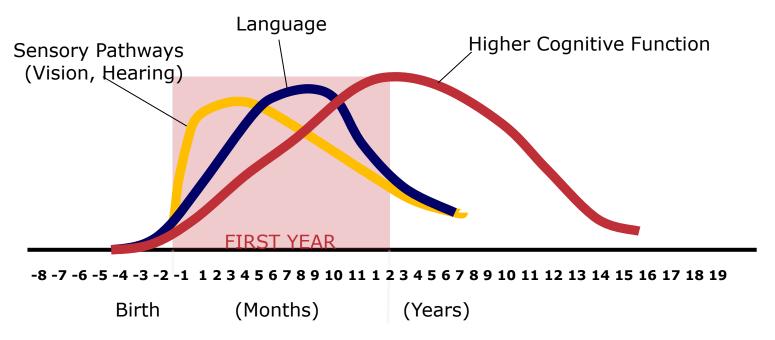


## **Our Earliest Experiences Shape Our Lives**

- The prenatal to age 5 period is the most rapid and sensitive period of development
- Our brains form more than 1 million neural connections per second
- The brain is the only organ in our body that is not fully formed at birth – we are born expecting input to program our brains
- 90% of brain development occurs by age 3
- Learning in the earliest years is shaped by nurturing and responsive relationships between caregivers and children



## Peak Plasticity Occurs at Specific Ages for Different Skills

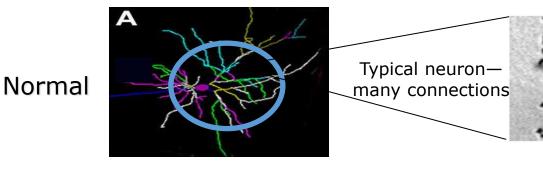


Source: C. Nelson (2000)

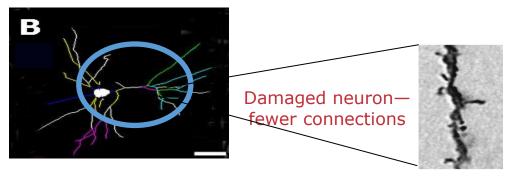




# **Toxic Stress Changes Brain Architecture**



Toxic stress

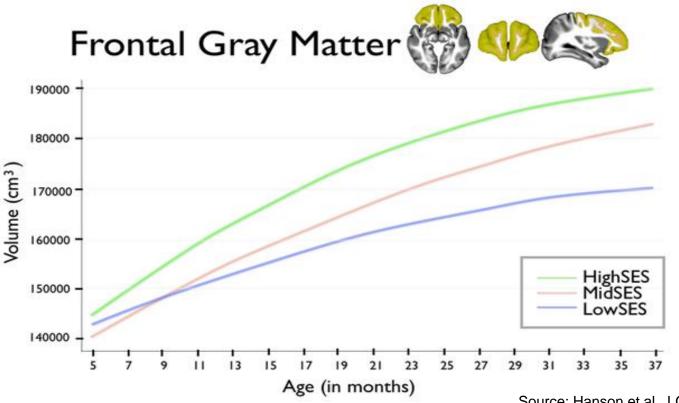


Prefrontal Cortex and Hippocampus

Sources: Radley et al. (2004) Bock et al. (2005)



## Brain Development is Correlated with Relationships and Resources



Source: Hanson et al., LOS ONE, 2013



## What can states do to promote healthy child development?

- Safe, stable, nurturing, and stimulating environments, with limited exposure to adversity promote optimal brain and body development
- It takes a system of care that includes broad based economic and family supports, as well as targeted interventions
- Policies and programs to support parents and children in the first 3 years yield large returns on investment
- Access to high quality, affordable child care is one of the most effective strategies that states can invest in to support children's development







2021
Prenatal-to-3
State Policy
Roadmap

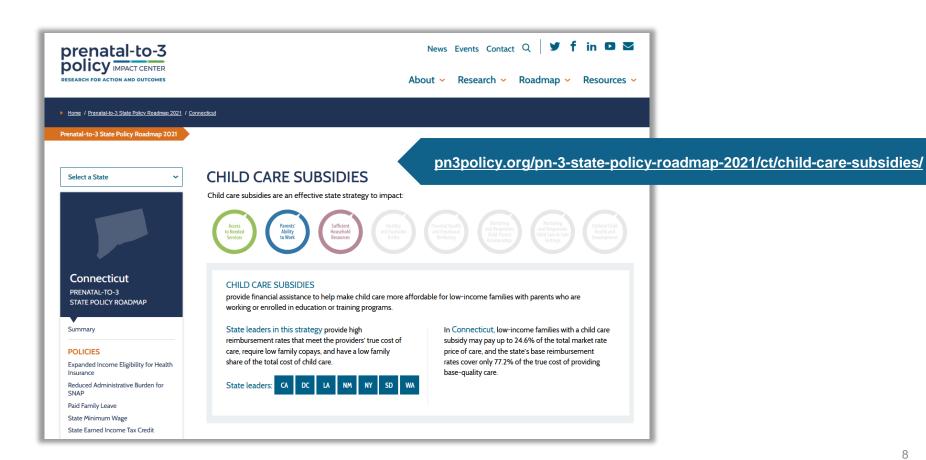
## pn3policy.org/roadmap

















Child care subsidies are an effective state strategy to impact:









#### CHILD CARE SUBSIDIES

provide financial assistance to help make child care more affordable for low-income families with parents who are working or enrolled in education or training programs.

State leaders in this strategy provide high reimbursement rates that meet the providers' true cost of care, require low family copays, and have a low family share of the total cost of child care.

State leaders:







LA







WA

In Connecticut, low-income families with a child care subsidy may pay up to 24.6% of the total market rate price of care, and the state's base reimbursement rates cover only 77.2% of the true cost of providing base-quality care.



## **How Do Child Care Subsidies Impact PN-3 Outcomes?**



• Higher state subsidy spending per low-income child (of \$1,000) led to 86% higher odds of enrollment in a single center-based care arrangement, rather than multiple care arrangements (B)



- A 10% increase in Child Care Development Fund subsidy expenditures led to a 0.7% increase in mothers' employment rate (A)
- \$1,000 higher annual state subsidy spending per low-income child led to a 3.5 percentage point increase in the likelihood of maternal employment (D)



• Subsidy receipt led to an increase in monthly earnings by 250% (E)



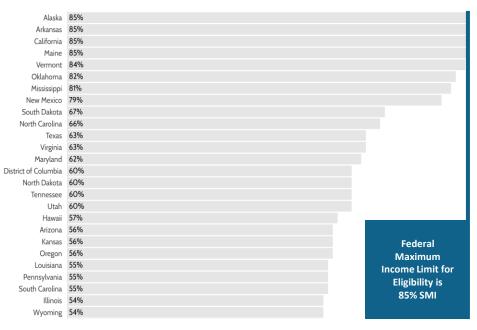
# **Choices States Can Make to Optimize Impact of Child Care Subsidies:**

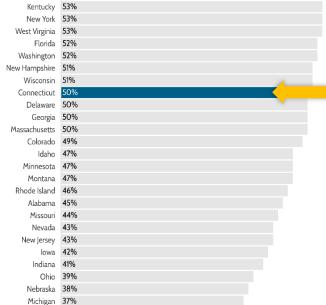
- Allow eligibility for subsidies up to 85% of the State Median Income
- Set reimbursement rates at or above the 75<sup>th</sup> percentile of a recent market rate survey;
- Set high reimbursement rates that fully cover or come close to covering the estimated true cost of providing care;
- Require low family copayments and fees;
- Have families contribute a low share of the total cost of child care;
- Link higher subsidy receipt to higher quality ratings.





# Variation Across States in Household Income Eligibility for Child Care Subsidies as a Percentage of State Median Income







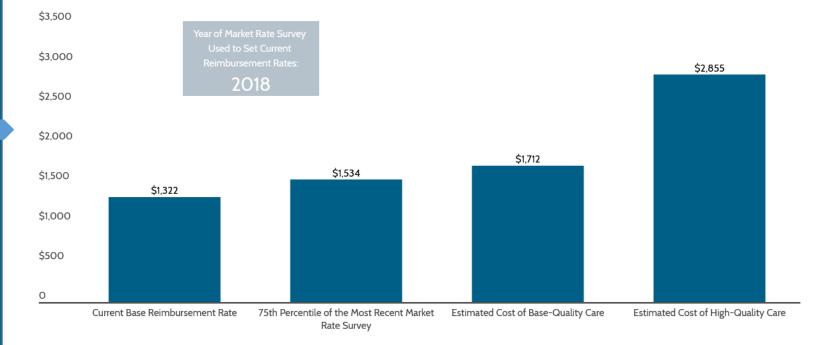


STRATEGY:

**Child Care** 

**Subsidies** 

# **Child Care Subsidy Reimbursement Rates for Infants in Center-Based Care in Connecticut**



Sources: As of July 1, 2021. Personal communication with state CCDF Administrators and other staff overseeing the state's child care subsidy programs; State children and families department websites; State Market Rate Surveys; and the Center for American Progress.







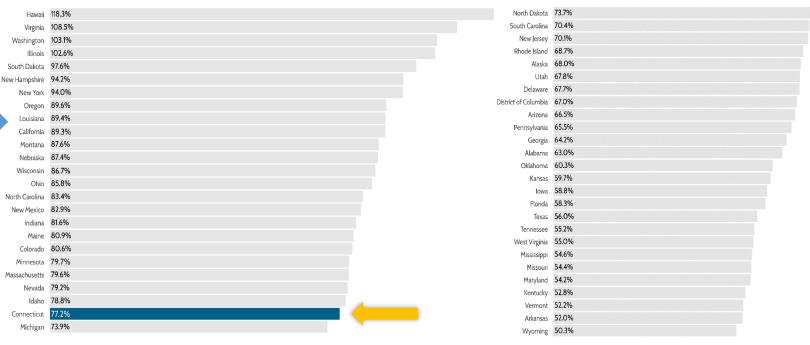
### Variation Across States in the Distribution of the Total Cost of Child Care







## Base Reimbursement Rates for Infants in Center-Based Care as a Percentage of the Estimated True Cost of Base-Quality Care

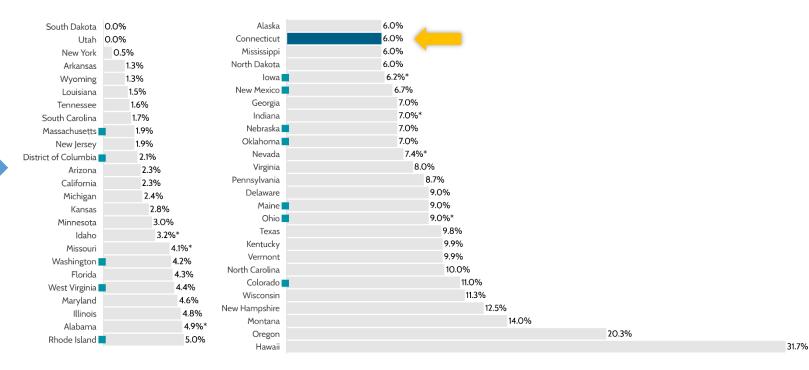


As of July 1, 2021. Personal communication with state CCDF Administrators and other staff overseeing the state's child care subsidy programs; State children and families department websites; and the Center for American Progress.





### Monthly Copayment as a Percentage of Income for a Family of 3 at 150% FPL\*



As of July 1, 2021. State children and families department websites and state CCDF plans.

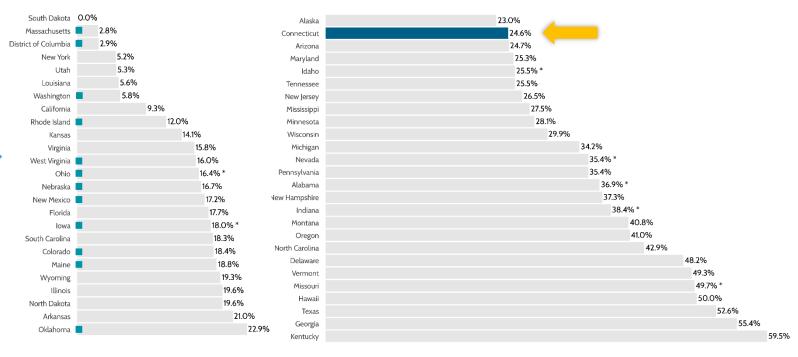
State does <u>not</u> allow providers to charge parents the difference between the reimbursement rate and provider rate



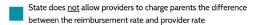




# Family Share of Child Care Costs for an Infant in Center-Based Care Paid by a Family of 3 at 150% FPL\*



As of July 1, 2021. Personal communication with state CCDF Administrators and other staff overseeing the state's child care subsidy programs; State children and families department websites; state CCDF plans; and the State Market Rate Surveys.





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